

Memorandum

Date: September 23, 2002

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To: Robert Pernell, Commissioner and Committee Presiding Member
Arthur H. Rosenfeld, Commissioner and Committee Associate Member

From: **California Energy Commission** - Kristy Chew
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Project Manager

Subject: **SMUD COSUMNES POWER PLANT PROJECT (01-AFC-19) - STATUS REPORT 3**

Energy Commission staff has prepared this status report to update the Committee on the project schedule and progress made in the AFC process for the Cosumnes Power Plant project.

KEY EVENTS SINCE THE LAST STATUS REPORT

Published Documents

Energy Commission published the Preliminary Staff Assessment (PSA) and its supplement, August 7 and September 11, 2002, respectively. Staff's preliminary analysis concluded that the project's environmental impacts can be mitigated to less than significant levels in all areas, except for Air Quality, Biological Resources, Cultural Resources, Noise and Vibration, Transmission System Engineering, and Water and Soils Resources. Staff's analysis also indicates that the project can comply with all laws, ordinances, regulations and standards (LORS) except in the areas of Air Quality, Biological Resources, Noise and Vibration, Transmission System Engineering, and Water and Soils Resources. With receipt of the additional information identified in the PSA, staff will complete the Final Staff Assessment and may find that the project's impacts would be mitigated to less than significant levels and that applicable LORS can be met.

Workshops

Energy Commission staff held PSA workshops on August 26 and 28 and September 5 and 6, 2002. An additional PSA workshop will be held on September 24, 2002. Fewer than 5 members of the public attended these workshops, but staff from the National Marine Fisheries Service (NMFS), California Department of Fish and Game, California Air Resources Board, Sacramento Metropolitan Air Quality Management District (SMAQMD), and Sacramento County Planning Department participated in the workshops.

At the workshops, the applicant contested the preliminary conclusions and conditions of certification in the areas of Air Quality, Biological Resources, Hazardous Materials, Noise and Vibration, and Water and Soils Resources.

UPDATE ON SIGNIFICANT ISSUES

Air Quality

On August 27, 2002, the SMAQMD issued the Preliminary Determination of Compliance for the project. The Final Determination of Compliance (FDOC) is anticipated to be issued sometime October 2002.

As stated in the PSA, staff believes that additional air emission reductions are required in order to fully mitigate the environmental impacts of the project, in addition to the offsets identified in the PDOC. Staff has met with SMAQMD and California Air Resources Board staff to discuss the different conclusions reached by the agencies.

Biological Resources

The applicant submitted a Revised Biological Resources Assessment (RBRA) to the USFWS on August 14, 2002. In a letter dated September 12, 2002, the U.S. Fish and Wildlife Service (USFWS) provided the following comments on the RBRA:

- The RBRA does not include adequate information about federally listed species affected by the proposed project and likely does not contain sufficient conservation measures to offset effects from the project.
- USFWS does not agree with the applicant's habitat determination and assessment of giant garter snake habitat and requests that the amount of disturbed giant garter snake habitat be reassessed.
- USFWS believes that the 10 elderberry shrubs located within 100 feet of the proposed pipeline route will likely be adversely affected by the proposed project and requests mitigation for the indirect impacts to valley elderberry longhorn beetle.
- USFWS does not consider the impacts to vernal pools along the proposed natural gas pipeline route to be temporary, notwithstanding the applicant's proposal to restore vernal pools after construction is complete. They would likely regard such effects to be permanent, and as a result, does not consider the compensation offered to be adequate in relation to the effects.
- USFWS requests a revised biological assessment be prepared that adequately addresses their concerns.

However, at a meeting between USFWS and the applicant held on September 19, 2002, the applicant stated they would alter the alignment of an approximate 1-mile portion of the proposed natural gas pipeline alignment to avoid impacts to the Laguna Stone Lake Wetland Preserve. Altering the alignment to avoid the Preserve would reduce the majority of impacts to sensitive invertebrate habitat. Staff is waiting for supplemental information from the applicant to adequately assess the environmental impacts and present the analysis in the FSA.

Additionally, NMFS staff requested that the following information be included in the Biological Resources Assessment being prepared by the applicant for the Section 7 Consultation with NMFS: an assessment of project operation impacts to the Lower American River, including Essential Fish Habitat; more information on the stormwater outfall system; and definition of the "action area."

Cultural Resources

The applicant conducted presence/absence testing along portions of the proposed natural gas pipeline alignment starting in June and continuing through September 2002. To date, testing has not been completed. The applicant has stated that they have had difficulty obtaining landowner permission to enter some properties in order to perform presence/absence testing. Without permission to enter certain properties, testing may need to be delayed. Staff is waiting for the results of the testing.

Noise and Vibration

At the workshop, the applicant stated they are still working with the adjacent landowner to relocate the residence in order to eliminate the impact. Staff is waiting for resolution of their negotiations from the applicant so that staff may adequately assess the environmental impacts and present the analysis in the FSA.

Transmission System Engineering

The applicant stated they would provide additional 500 kV line outage studies, as identified in the PSA, by the end of September 2002.

Water & Soil Resources

As stated in the PSA, proposed Condition of Certification Soil & Water 6, staff proposes to limit the total amount of water diverted from the Folsom South Canal to the 15,000 acre feet of per year (AFY) currently used for operations of the Rancho Seco Power Plant and Rancho Seco Lake. However, the applicant has stated that operating the proposed plant with zero liquid discharge technology, more than 15,000 AFY would need to be used. Staff is in discussions with SMUD on various approaches to resolve the issue of fresh water use for the project.

Additionally, staff was informed that the applicant is currently modifying their stormwater control system. Staff is waiting for supplemental information from the applicant so that staff may adequately assess the environmental impacts and present the analysis in the FSA.

SCHEDULE

The applicant has stated that they must start construction in spring of 2003, and therefore need the FSA issued in November and to complete hearings before the December holidays. As stated in the Committee's June 5, 2002 Schedule, staff requires the FDOC, the accepted Biological Assessment, the Draft 2081 Incidental Take Permit, and responses to all data requests and information needs resulting from the PSA workshops prior to completing the FSA. In addition, as stated above, the applicant is

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revising portions of their natural gas route and their stormwater discharge system. Staff needs supplemental information regarding these modifications prior to completing the FSA as well. Staff proposes to complete the FSA within 30 days from receipt of these items.

Although many of the data deficiencies may be resolved in time to meet the applicant's proposed schedule, it is unknown when the Revised Biological Resource Assessment will be deemed complete by USFWS and NMFS. This is a critical path item that could cause a delay in the applicant's desired schedule.

cc: POS